

# Uniphos Enterprises Limited

41<sup>st</sup>

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## Annual Report

2009 - 2010

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<b>CONTENTS</b>	Page No(s).
Board of Directors, etc.	1
Notice	2
Directors' Report	3-5
Corporate Governance	6-12
Management Discussion and Analysis	12
Auditors' Report	13-15
Balance Sheet	16
Profit and Loss Account	17
Cash Flow Statement	18
Schedules forming part of the Balance Sheet-'A' to 'J'	19-22
Schedules forming part of the Profit and Loss Account-'K' to 'M'	23
Notes on Accounts- Schedule 'N'	24-27
Balance Sheet Abstract and Company's General Business Profile	28

**41<sup>ST</sup> ANNUAL GENERAL MEETING**

Date : 8<sup>th</sup> September, 2010

Day : Wednesday

Time : 9.15 a.m.

Place : Registered Office :  
11, G.I.D.C., Vapi,  
Dist. Valsad, Gujarat, Pin - 396 195.

For assistance regarding share transfers, transmission, change of address, duplicate/ loss of shares and other related matters, please write to the Registrar & Share Transfer Agent :

**Sharepro Services(India) Pvt. Ltd.**  
**Unit : Uniphos Enterprises Limited**  
**13AB, Samhita Warehousing Complex,**  
**Second Floor, Sakinaka Telephone**  
**Exchange Lane, Off Andheri Kurla Road,**  
**Sakinaka, Andheri (E),**  
**Mumbai 400 072.**  
**Phone No(s). : 91-022-67720300/344/345**  
**Fax No : 91-022-2859 1568**

**BOOK CLOSURE**

**Saturday, 28<sup>th</sup> August, 2010**  
**to**  
**Wednesday, 8<sup>th</sup> September, 2010**

**BOARD OF DIRECTORS**

- |  |                                |
|--|--------------------------------|
| MR. R. D. SHROFF                             | - Chairman & Managing Director |
| MRS. S. R. SHROFF                            | - Non-Executive Vice Chairman  |
| MR. J. R. SHROFF                             |                                |
| MR. A. C. ASHAR                              |                                |
| MR. PRADEEP GOYAL                            |                                |
| MRS. SWATI S. MAYEKAR                        |                                |
| <i>(Appointed w.e.f. 28th January, 2010)</i> |                                |
| MR. PRAKASH SHAH                             |                                |
| <i>(Resigned w.e.f. 28th January, 2010)</i>  |                                |

**COMPANY SECRETARY**

MR. K. M. THACKER

**AUDITORS**

S. V. GHATALIA & ASSOCIATES  
*Chartered Accountants*

**BANKERS**

Canara Bank  
Yes Bank Ltd.

**ADMINISTRATIVE OFFICE**

UNIPHOS HOUSE,  
C.D.Marg, Khar (West),  
Mumbai- 400 052.  
Tel. : 2646 8000. Fax : 2604 1010.

**REGISTERED OFFICE**

11, G.I.D.C., Vapi,  
Dist. Valsad, Gujarat, Pin -396 195.  
Tel. : 0260-2400717. Fax : 0260-2401823.

**SECRETARIAL DEPARTMENT**

8, Shri Krishna Commercial Centre,  
Ground Floor, Opp. Raheja Solitaire,  
6, Udyog Nagar, Off S.V. Road,  
Goregaon (West), Mumbai- 400 062.  
Tel. : 2872 4862 Fax : 2875 3485.

## NOTICE

**NOTICE** is hereby given that **41st ANNUAL GENERAL MEETING** of the Members of **UNIPHOS ENTERPRISES LIMITED** will be held on Wednesday, 8th September, 2010 at 9.15 a. m. at the Registered Office of the Company at 11, G.I.D.C., Vapi, Dist. Valsad, Gujarat, Pin- 396 195, to transact the following business:

### ORDINARY BUSINESS:

1. To consider and adopt the audited Balance Sheet as at 31st March, 2010, Profit and Loss Account for the year ended on that date and the Reports of the Board of Directors and Auditors thereon.
2. To appoint a Director in place of Mr. Arun C. Ashar, who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint Auditors and fix their remuneration.

### SPECIAL BUSINESS:

4. To consider and if thought fit, to pass, with or without modification, the following resolution as an **Ordinary Resolution**:  
"**RESOLVED THAT** in accordance with the provisions of Section 257 and all other applicable provisions, if any, of the Companies Act, 1956, Mrs. Swati S. Mayekar, who was appointed by the Board of Directors as an Additional Director of the Company and who holds office up to the date of the ensuing Annual General Meeting under Section 260 of the Companies Act, 1956 and in respect of whom the Company has received a notice in writing from some members proposing the candidature of Mrs. Swati S. Mayekar for the office of Director, be and is hereby appointed as a Director of the Company, liable to retire by rotation."

### NOTES:

1. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND SUCH PROXY NEED NOT BE A MEMBER.** The instrument appointing proxy in order to be effective should be duly stamped, completed and signed and should be deposited at the Registered Office of the Company not later than 48 hours before the time fixed for the meeting.
2. Members/Proxies should bring the Attendance Slip duly filled in for attending the meeting.
3. The Register of Members and The Share Transfer Books of the Company will remain closed from Saturday, 28th August, 2010 to Wednesday, 8th September, 2010 (both days inclusive).
4. The Members are requested to kindly send all their correspondence relating to the change of address, transfer of shares, etc. directly to the Company's Registrar & Transfer Agents – Sharepro Services (India) Pvt. Ltd., Unit: Uniphos Enterprises Limited, 13AB, Samhita Warehousing Complex, Second Floor, Sakinaka Telephone Exchange Lane, Off Andheri Kurla Road, Sakinaka, Andheri (E), Mumbai 400 072, quoting their Folio Number and in case their shares are held in dematerialised form, the intimation of change of address should be passed on to their respective Depository Participants.
5. Members seeking any information with regard to Accounts are requested to write to the Company at an early date so as to enable the management to keep the information ready.
6. Pursuant to the provisions of Section 205A of the Companies Act, 1956, dividend for the financial year 1994-95 and prior to that which remained unclaimed has been transferred to the General Revenue Account of the Central Government as required by the Companies Unpaid Dividend (Transfer to General Revenue Account of the Central Government) Rules, 1978. Members who have not encashed the Dividend Warrants pertaining to the said period may make their claims to the Registrar of Companies, Gujarat at Ahmedabad by submitting an application in prescribed form.
7. Pursuant to the provisions of Section 205A(5) of the Companies Act, 1956, as amended-
  - (a) Dividend for the years 1995-96 to 2001-02 which remained unclaimed for a period of seven years from the date of transfer of same to the respective unpaid dividend accounts of the Company have been transferred to the Investor Education and Protection Fund established by the Central Government pursuant to Section 205C of the Companies Act, 1956.
  - (b) Dividend for the year 2002-03 and 2003-04, which remain unclaimed for a period of seven years from the date of transfer of same to the respective unpaid dividend accounts of the Company will be transferred to the Investor Education and Protection Fund established by the Central Government pursuant to Section 205C of the Companies Act, 1956.  
Members who have not so far encashed the Dividend Warrant(s) are requested to make their claims to the Company immediately. **It may be noted that once the unclaimed dividend is transferred to the Investor Education and Protection Fund, no claim shall lie, against the Company or the said fund, in respect thereof.**
8. Additional information on Directors being appointed / re-appointed as required under Clause 49(VI) of the Listing Agreement with the Stock Exchanges:  
At the ensuing Annual General Meeting, Mr. Arun C. Ashar, Director, retire by rotation and being eligible offer himself for reappointment. In pursuance of Corporate Governance code, information of the aforesaid Director is provided hereunder:
  - (a) Mr. Arun C. Ashar is the Director of the Company since 28th February, 1992. He is a Chartered Accountant. He was associated with the group in the capacity of consultant prior to his joining of the Board. He looks after the financial functions of the Company. He is on the Board of United Phosphorus Ltd., Enviro Technology Ltd., Bharuch Enviro Infrastructure Ltd., Agrinet Solutions Ltd., Tatva Global Environment Ltd., Shivalik Solid Waste Management Ltd., UPL Environmental Engineers Ltd., Sharvak Environment Ltd., Entrust Environment Ltd., Latur Water Supply Management Co. Ltd., Kerala Enviro Infrastructure Ltd. SPML-UEEL-JV Company Ltd. and Tatva Global Environment (Deonar) Ltd.
  - (b) Mrs. Swati S. Mayekar has joined the Board as an Additional Director of the Company. Mrs. Mayekar is a proprietor of Swati S. Mayekar, Practising Company Secretary. She has many years of experience in the field of corporate laws. She is on the Board of Prodigy Finvest Private Limited and Sandesh Multi Media Communications Private Limited.

### EXPLANATORY STATEMENT AS REQUIRED BY SECTION 173(2) OF THE COMPANIES ACT, 1956.

#### Item No. 4

The Board of Directors appointed Mrs Swati S. Mayekar as an Additional Director pursuant to Articles 120(a) of the Articles of Association of Company. Under Section 260 of the Companies Act, 1956, Mrs. Swati S. Mayekar will hold office only up to the date of 41st Annual General Meeting of the Company.

Notice in writing as required by Section 257 of the Companies Act, 1956, have been received from some of the members of the Company signifying their intention to propose Mrs. Swati S. Mayekar as a candidate for the office of the Director. The members who intended to appoint the Director have deposited with the Company a sum of Rs.500/- for the appointment.

Mrs. Swati S. Mayekar is a proprietor of Swati S. Mayekar, Practising Company Secretary. She has many years of experience in the field of corporate laws. She is on the Board of Prodigy Finvest Private Limited and Sandesh Multi Media Communications Private Limited. Keeping in view her knowledge and experience, it will be in the interest of the Company to appoint Mrs. Swati S. Mayekar as Director of the Company. The directors recommend this resolution for your approval.

Except Mrs. Swati S. Mayekar, none of the other Directors of the Company is, in any way, concerned or interested in this resolution.

Mumbai  
2nd August, 2010

**Registered Office:**  
11, G.I.D.C., Vapi,  
Dist. Valsad, Gujarat, Pin - 396 195.

By Order of the Board of Directors

**K. M. THACKER**  
Company Secretary

**DIRECTORS' REPORT**

TO,  
THE MEMBERS OF  
**UNIPHOS ENTERPRISES LIMITED**

Your Directors have pleasure in presenting their report and audited accounts for the year ended 31<sup>st</sup> March, 2010.

**FINANCIAL RESULTS**

	Year ended 31 <sup>st</sup> March, 2010	(Rs. in lacs) Year ended 31 <sup>st</sup> March, 2009
Profit/(Loss) before taxation & exceptional Items	<b>(416.62)</b>	(760.78)
Exceptional Items	<b>2736.11</b>	1386.36
Profit/(Loss) before taxation	<b>2319.49</b>	625.58
Less: Provision for taxation	<b>335.00</b>	20.99
Profit/(Loss) after taxation	<b>1984.49</b>	604.59
Add: Balance brought forward	<b>18.28</b>	(586.31)
Balance carried forward	<b>2002.77</b>	18.28

**OPERATIONAL PERFORMANCE**

During the year, there were no sales. Other income was Rs 396.44 lacs as compared to Rs. 410.71 lacs in the previous year.

The Company has earned profit of Rs. 1984.49 lacs after tax as compared to profit of Rs. 604.59 lacs in the previous year. This is mainly on account of profit on sale of property.

**FUTURE OUTLOOK**

The Company is ready to take advantage of the opportunity of trading in chemicals with the reduction in tariffs for imports.

**DIVIDEND**

Your Directors do not recommend any dividend for the year under review.

**INSURANCE**

All the properties of the Company have been adequately insured.

**AUDITORS AND AUDITORS' REPORT**

M/s. S. V. Ghatalia & Associates, Chartered Accountants, the Statutory Auditors are retiring at the ensuing Annual General Meeting and being eligible for re-appointment have expressed their willingness to continue, if re-appointed. Your Directors recommend their appointment as the Statutory Auditors and to fix their remuneration for the year 2010-11.

The notes to the accounts referred to in the Auditors' Report are self-explanatory and do not call for any further comments.

**DEPOSITORY SYSTEM**

96.54 % of the total paid up equity shares of the Company are dematerialised as on 31st March, 2010.

**DIRECTORS**

In accordance with the Provisions of the Companies Act, 1956 and the Articles of Association of the Company, Mr. Arun C. Ashar, Director of the Company, retires by rotation at the ensuing Annual General Meeting of the Company, and being eligible, offers himself for re-appointment.

The brief resume of Mr. Arun C. Ashar, Director of the Company as required by Clause 49 of the Listing Agreement with the Stock Exchanges, is provided in the notice convening the Annual General Meeting of the Company.

During the year, the Board of Directors have appointed Mrs. Swati S. Mayekar as an Additional Directors on the Board of the Company with effect from 28th January, 2010. Mrs. Mayekar is Chartered Accountant and also Company Secretary. Mrs. Mayekar has rich and varied experience in the field of corporate laws and your Company is proud to avail of her knowledge and guidance. As per section 260 of the Companies Act, 1956, she holds office of Director up to the date of ensuing Annual General Meeting. Notices in writing as required under Section 257 of the Companies Act, 1956 have been received from members proposing her appointment as Director of the Company at the ensuing Annual General Meeting. Your Directors recommend her appointment.



## DIRECTORS' REPORT (Contd.)

Mr. R. D. Shroff was re-appointed as the Managing Director of the Company without remuneration for a period of five years commencing from 1st April, 2010 at the meeting of the Board of Directors held on 29th April, 2010.

During the year Mr. Prakash Shah has Resigned from the Board of Directors of the Company with effect from 28th January, 2010.

The Board takes this opportunity to place on record its deep sense of appreciation for the support and invaluable contribution made by Mr. Prakash Shah during his tenure as Director of the Company.

### INFORMATION REGARDING CONSERVATION OF ENERGY ETC.

Information required under Section 217 (1) (e) of the Companies Act, 1956, read with Rule 2 of the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988, for the year ended 31st March, 2010 is furnished here below.

#### I. CONSERVATION OF ENERGY – Not Applicable

#### II. TECHNOLOGY ABSORPTION – Not Applicable

#### III. FOREIGN EXCHANGE EARNING AND OUTGO

	Rupees in Lacs.
(a) Foreign Exchange earned	-
(b) Foreign Exchange outgo	2.38

### PARTICULARS OF EMPLOYEES

The Company has no employee who- (i) if employed throughout the financial year, was in receipt of remuneration, in aggregate, more than Rs. 24 lacs, or (ii) if employed for a part of the financial year, was in receipt of remuneration, in aggregate, more than Rs. 2 lacs per month. Hence, the information required to be given pursuant to the provisions of Section 217 (2A) of the Companies Act, 1956, read with Companies (Particulars of employees) Rules, 1975, as amended from time to time, is not applicable and hence not attached.

### DIRECTORS RESPONSIBILITY

Your Directors confirm the following Directors' Responsibility statements pursuant to provisions of Section 217(2AA) of the Companies Act, 1956:

- 1) in the preparation of Annual Accounts for the year ended 31st March, 2010, the Company has followed the applicable accounting standards with proper explanations relating to material departures, if any;
- 2) appropriate accounting policies have been selected and applied consistently and judgements and estimates are made prudently and reasonably so as to give a true and fair view of the state of affairs of the Company as at 31st March, 2010 and of the profit of the Company for that year;
- 3) proper and sufficient care has been taken for maintenance of adequate accounting records in accordance with applicable provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- 4) the annual accounts have been prepared on a going concern basis.

### GROUP FOR INTERSE TRANSFER OF SHARES

As required under Regulation 3(1)(e) of the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 1997 ("Regulations") persons constituting "Group" (within the meaning as defined in the Monopolies and Restrictive Trade Practices Act, 1969) for the purpose of availing exemption from applicability of the provisions of Regulation 10 to 12 of the aforesaid Regulations, are given in the Annexure attached herewith and forms part of this Annual Report.

### CORPORATE GOVERNANCE

Your Company and its Board has been complying with Corporate Governance to the extent set out in this respect as a separate report, in pursuance of requirement of Clause 49 of the Listing Agreement. The Management Discussion and Analysis Report forms part of this Report. Auditors' Certificate regarding compliance of the conditions of Corporate Governance as stipulated under the said clause is also attached to this Report.

### LISTING OF THE COMPANY'S EQUITY SHARES

The Equity Shares of your Company continue to be listed at the Bombay Stock Exchange Ltd. and National Stock Exchange of India Ltd. There is no default in paying annual listing fees.

### ACKNOWLEDGEMENT

Your Directors take this opportunity in expressing their gratitude to the Government of India, the State Government of Gujarat, Financial Institutions and the Commercial Banks. The Board is also thankful to consumers, distributors, investors, etc. for their unstinted support to the Company.

Mumbai  
2nd August, 2010

On behalf of the Board of Directors

**R.D. SHROFF**

Chairman & Managing Director

### Registered Office:

11, G.I.D.C., Vapi,  
Dist. Valsad, Gujarat, Pin - 396 195.

**DIRECTORS' REPORT (Contd.)****Annexure forming part of the Directors' Report**

**"Group" for interse transfer of shares under Regulation 3(1)(e) of the Securities & Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 1997.**

<p><b>PROMOTER DIRECTORS:</b></p> <ol style="list-style-type: none"> <li>1. Rajnikant Devidas Shroff and Family</li> <li>2. Sandra R. Shroff and Family</li> <li>3. Jaidev R. Shroff and Family</li> <li>4. Vikram R. Shroff and Family</li> </ol> <p><b>RELATIVES OF PROMOTER DIRECTORS:</b></p> <ol style="list-style-type: none"> <li>1. Poonam J. Shroff and Family</li> <li>2. Namrata V. Shroff and Family</li> <li>3. Varun J Shroff and Family</li> <li>4. Tania J Shroff and Family</li> <li>5. Rudritara J. Shroff and Family</li> <li>6. Mekhala V. Shroff and Family</li> <li>7. Ranjit V. Shroff and Family</li> <li>8. Shilpa R Shroff and Family</li> <li>9. Pradip Sagar and Family</li> <li>10. Jyotsna Bhatt and Family</li> <li>11. Jyotindra Bhatt and Family</li> <li>12. Shaila S Shroff and Family</li> </ol> <p><b>TRUST:</b></p> <ol style="list-style-type: none"> <li>1. Jai Trust</li> <li>2. Jewel Trust</li> <li>3. Victory Trust</li> </ol> <p><b>PARTNERSHIP FIRMS:</b></p> <ol style="list-style-type: none"> <li>1. Akruti Products</li> <li>2. Sarjan Chemicals</li> <li>3. Prakriya Pharmachem</li> <li>4. Urja Chemicals</li> <li>5. UPL India</li> <li>6. Pot Plants</li> <li>7. Ultima Search</li> </ol> <p><b>GROUP COMPANIES:</b></p> <ol style="list-style-type: none"> <li>1. Advanta India Ltd.</li> <li>2. Agraja Properties Ltd.</li> <li>3. Agrinet Solutions Ltd.</li> <li>4. Amytree Ltd. (BVI)</li> <li>5. Archana Overseas Pvt. Ltd.</li> <li>6. Bharuch Airport Infrastructure Pvt. Ltd.</li> <li>7. Bharuch Enviro Infrastructure Ltd.</li> <li>8. Bloom Industrial Plastics Pvt. Ltd.</li> <li>9. Bloom Packaging Pvt. Ltd.</li> <li>10. Bloom Seal and Containers Pvt. Ltd.</li> <li>11. Coimbatore Integrated Waste Management Co. P. Ltd.</li> </ol>	<ol style="list-style-type: none"> <li>12. Daman Ganga Pulp &amp; Papers Pvt. Ltd.</li> <li>13. Demuric Holdings Pvt. Ltd</li> <li>14. Entrust Environment Ltd.</li> <li>15. Enviro Technology Limited</li> <li>16. Esthetic Finvest Pvt. Ltd.</li> <li>17. Floratrip Ltd. (BVI)</li> <li>18. Force Aviation Pvt. Ltd.</li> <li>19. Gharpure Engineering &amp; Constructions P. Ltd.</li> <li>20. Heline Environment Pvt. Ltd.</li> <li>21. Hexspun Ltd. (BVI)</li> <li>22. Isar Builders &amp; Developers Pvt. Ltd.</li> <li>23. Kerala Enviro Infrastructure Ltd.</li> <li>24. Khagay Environment Pvt. Ltd.</li> <li>25. Khaline Environment Pvt. Ltd.</li> <li>26. Latur Water Supply Management Co. Ltd.</li> <li>27. Mrugal Properties Ltd.</li> <li>28. Nerka Chemicals Pvt. Ltd.</li> <li>29. Nivi Trading Ltd.</li> <li>30. Praskand Environment Pvt. Ltd.</li> <li>31. R. Shroff Consultants Pvt. Ltd.</li> <li>32. Sanguine Holdings Pvt. Ltd.</li> <li>33. Seiko Properties Pvt. Ltd.</li> <li>34. Sharvak Environment Ltd.</li> <li>35. Shatataraka Holdings Pvt. Ltd.</li> <li>36. Shivalik Solid Waste Management Ltd.</li> <li>37. Shroff Envirotral Pvt. Ltd.</li> <li>38. Shroffs United Chemicals Ltd.</li> <li>39. Squaredip Inc. (BVI)</li> <li>40. SWAL Corporation Ltd.</li> <li>41. Tatva Clean Tech Private Ltd.</li> <li>42. Tatva Global Environment Ltd.</li> <li>43. Tatva Global Environment (Deonar) Ltd.</li> <li>44. Tatva Global Renewable Energy Co. Pvt. Ltd.</li> <li>45. Tatva Global Water Technologies Pvt. Ltd.</li> <li>46. Timberlane PTE. Ltd.</li> <li>47. Uniphos Agro Industries Ltd.</li> <li>48. Uniphos (Cayman Islands)</li> <li>49. Uniphos (Cyprus) Limited</li> <li>50. Uniphos Envirotronic Pvt. Ltd.</li> <li>51. United Phosphorus (Cayman Islands)</li> <li>52. United Phosphorus Ltd.</li> <li>53. UPL Djai Power Ltd.</li> <li>54. UPL Environmental Engineers Ltd.</li> <li>55. UPL Global Eco Investment Holdings Pvt. Ltd.</li> <li>56. Venture Drive Limited (Cayman Islands)</li> <li>57. Vyom Finvest P. Ltd.</li> </ol>
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**and any body corporate and/or entity promoted / formed by any of the above.**

**"Family" – "Family" for this purpose includes spouse, dependent children and parent**

**CORPORATE GOVERNANCE****1. Company's Philosophy on Code of Corporate Governance**

The Company's philosophy on Corporate Governance relates to providing maximum service to all its stakeholders. It wants to enhance shareholder value with best practices of corporate governance. The high standard of corporate governance is maintained by being transparent, accountable and continuous interaction with shareholders, employees, lending institutions, banks, govt. agencies and all the dealers.

The Company is conscious of the fact that to achieve success very high ethical value of the management and the employees is inevitable.

**2. Board of Directors**

The Board of Directors consists of 6 directors.

During the year, five Board Meetings were held on 25th April, 2009, 23rd July, 2009, 7th October, 2009, 26th October, 2009 and 28th January, 2010.

**Composition and other details of Directors is as follows:**

Name of the Director	Category	Attendance Particulars		No. of other directorships and Committee memberships/ chairmanships*		
		Board Meeting	Last AGM	Other Directorships	Committee Memberships	Committee Chairmanships
Mr. R. D. Shroff	Promoter & Chairman & Managing Director	3	Present	11	-	1
Mrs. S. R. Shroff	Promoter & Non-Executive Vice Chairman	4	Absent	9	-	-
Mr. J. R. Shroff	Promoter & Non-Executive Director	5	Present	14	1	-
Mr. A. C. Ashar	Independent & Non-Executive Director	5	Present	13	-	-
Mr. Pradeep Goyal	Independent & Non-Executive Director	3	Present	7	2	-
Mrs. Sawti S. Mayekar (Appointed w.e.f. 28th January, 2010)	Independent & Non-Executive Director	-	N. A.	-	-	-
Mr. Prakash Shah (Resigned w.e.f. 28th January, 2010)	Independent & Non-Executive Director	2	Absent	4	-	-

**Notes: \* Excludes Directorship in Private Limited companies & Foreign companies.**

**3. Information supplied to the Board**

Following information was provided to the Board as part of the agenda papers in advance of the Board Meetings or presented at the time of the Board Meetings:

- Financial Results of the Company,
- Disclosure of the interest of the Directors,
- Material show cause notices, legal judgements, etc.,
- Review of the procedure for risk assessment and minimization,
- Approval for contracts entered into with parties covered in the register u/s. 301 of the Companies Act, 1956,
- Consideration of any disclosure made by senior management relating to any transaction having potential conflict with interest of the Company,
- Raising of Funds,
- Availing credit facilities from bank,
- Closure of bank account for dividend and transfer of funds lying there to "Investors Education and Protection Fund."

**4. Disclosures**

The particulars of transactions between the Company and related parties as per the Accounting Standards are mentioned separately in schedule "N" of the Annual Accounts. However these transactions are not likely to have any conflict with the Company's interest.

No strictures or penalties have been imposed on the Company by the Stock Exchange or The Securities and Exchange Board of India (SEBI) or any other regulatory body on any matter relating to capital markets in the last three years.



**CORPORATE GOVERNANCE (Contd.)**

The Securities and Exchange Board of India (SEBI) vide notification dated 20th February, 2002, has amended the SEBI (Insider Trading) Regulations, 1992. As per these regulations, the Company has appointed Mr. K. M. Thacker as a Compliance Officer, who will be responsible for formulating policies, procedures, monitoring adherence to the rules for the preservation of price sensitive information, pre-clearance of trades, monitoring of trades and implementation of the Code of Conduct under the overall supervision of the Board. The Company also has framed its own code of internal procedure and conduct for prevention of Insider Trading which provides for "Trading Window" restrictions, disclosure requirements and also pre-clearance of trades in the Company's securities.

Shareholding of the Directors as on 31st March, 2010 was as under:

<b>Name of the Director</b>	<b>Shareholding</b>
Mr. R. D. Shroff	Nil
Mrs. S. R. Shroff	Nil
Mr. J. R. Shroff	Nil
Mr. A. C. Ashar	20643
Mr. Pradeep Goyal	Nil
Mrs. Swati S. Mayekar (Appointed w.e.f. 28th January, 2010)	2224

**5. Code of Conduct**

The Board of Directors has adopted the Code of Conduct for the Board Members and the Senior Management. The said Code has been communicated to the Board Members and the Senior Management. The Code has also been posted on the Company's website [www.uelonline.com](http://www.uelonline.com).

**6. Audit Committee**

The Board of the Company has constituted an Audit Committee, comprising of three Independent & Non-Executive Directors viz. Mr. Pradeep Goyal, Chairman, Mr. A. C. Ashar and Mrs. Swati S. Mayekar. Four meetings of the Audit Committee were held on 25th April, 2009, 23rd July, 2009, 26th October, 2009 and 28th January, 2010.

**Composition of members of Audit Committee is as follows:**

<b>Composition</b>	Mr. Pradeep Goyal Chairman	Mr. A. C. Ashar	Mrs. Swati S. Mayekar (Appointed w.e.f. 28th January, 2010)	Mr. Prakash Shah (Resigned w.e.f. 28th January, 2010)
Meetings attended during the year	3	4	-	2

The constitution of Audit Committee also meets with the requirements under Section 292A of the Companies Act, 1956. Mr. A. C. Ashar has financial and accounting knowledge.

The role and terms of reference stipulated by the Board to the Audit Committee covers areas mentioned under Clause 49 of the Listing Agreement and Section 292A of the Companies Act, 1956 besides other terms as may be referred by the Board of Directors.

**7. Remuneration Committee**

The Board of the Company has constituted a Remuneration Committee, comprising of three Independent & Non-Executive Directors viz. Mr. Pradeep Goyal, Chairman, Mr. A. C. Ashar and Mrs. Swati S. Mayekar.

The Remuneration Committee has been constituted to recommend/review the remuneration package of the Directors based on performance and defined criteria.

No meeting of the Remuneration Committee was held during the year.

**Details of the remuneration to all the Directors for the year:**

No Director was paid salary and/or perquisites for the year ended 31st March, 2010.

The Company has paid the sitting fees for the year ended 31st March, 2010 to two Independent & Non-Executive Directors for attending Board Meetings, Audit Committee Meetings and Shareholders'/ Investors' Grievances Committee Meeting as follows:

Mr. Pradeep Goyal Rs.10,000/- and Mr. Prakash Shah (Resigned w.e.f. 28th January 2010) Rs.6,000/-.

**CORPORATE GOVERNANCE (Contd.)****8. Shareholders'/Investors' Grievance Committee**

The Board of the Company has constituted a Shareholders'/Investors' Grievance Committee, comprising of three Independent & Non-Executive Directors to look into the Shareholders' and Investors' Grievances. One meeting of the Shareholders'/Investors' Grievance Committee was held on 28th January, 2010.

**Composition of members of Shareholders'/Investors' Grievance Committee is as follows:**

Composition	Mr. Pradeep Goyal Chairman	Mr. A. C. Ashar	Mrs. Swati S. Mayekar (Appointed w.e.f. 28th January, 2010)	Mr. Prakash Shah (Resigned w.e.f. 28th January, 2010)
Meetings attended during the year	1	1	-	-

The Company also has its separate shares transfer committee consisting of Mrs. S. R. Shroff and Mr. A. C. Ashar, Directors and two other senior executives. This committee normally meets twice a month to approve transfer of shares, issue of duplicate certificates, etc. Share certificate submitted for dematerialisation and request for rematerialisation are also approved by the committee.

The total number of complaints received during the year under review were 14 and all the complaints were replied to the satisfaction of shareholders on or before 31st March, 2010.

One request for transfer of shares was pending for approval as on 31st March, 2010, which was approved and dealt with by 15th April, 2010.

**9. General Body Meetings**

Location and time for last three Annual General Meetings were:

Year	AGM	Location	Date	Time
2006-2007	38th AGM	11, G. I. D. C., Vapi, Dist. Valsad, Gujarat-396 195.	11/09/2007	9.00 a.m.
2007-2008	39th AGM	11, G. I. D. C., Vapi, Dist. Valsad, Gujarat-396 195.	18/09/2008	9.00 a.m.
2008-2009	40th AGM	11, G. I. D. C., Vapi, Dist. Valsad, Gujarat-396 195.	18/09/2009	9.00 a.m.

**10. (a) Disclosures on materially significant related party transactions i.e. transactions of the Company of material nature, with its promoters, the directors or the management, their subsidiaries or relatives, etc. that may have potential conflict with the interests of the company at large.**

During the year, the Company had no materially significant related party transactions, which are considered to have potential conflict with the interest of the Company at large.

**(b) Details of non-compliance by the Company, penalties, strictures imposed on the Company by Stock Exchanges or SEBI, or any statutory authority, on any matter related to capital markets, during the last three years.**

None.

**11. Means of communication**

Half-yearly results for the half-year ended 30th September, 2009 were not sent to each household of shareholder.

The quarterly and annual results are published by the Company in the English and Gujarati editions of the 'Indian Express' and 'Financial Express'. The results are also displayed on corporate Website, www.uelonline.com. Official news releases are sent to the Stock Exchanges at Bombay Stock Exchange Ltd. and National Stock Exchange of India Ltd., where the equity shares of the Company are listed. During the year, no presentations were made to analysts or Institutional Investors.

The Management Discussion and Analysis (MD&A) forms a part of the annual report.

**12. General Shareholder Information****12.1. Annual General Meeting**

- |   |  |
|---|--|
| <ul style="list-style-type: none"> <li>- Date</li> <li>- Venue</li> </ul> | <p>: 8<sup>th</sup> September, 2010 at 9.15 a.m.</p> <p>Registered Office of the Company at<br/>11, G.I.D.C., Vapi, Dist. Valsad, Gujarat,<br/>Pin- 396 195.</p> |
|---|--|

## CORPORATE GOVERNANCE (Contd.)

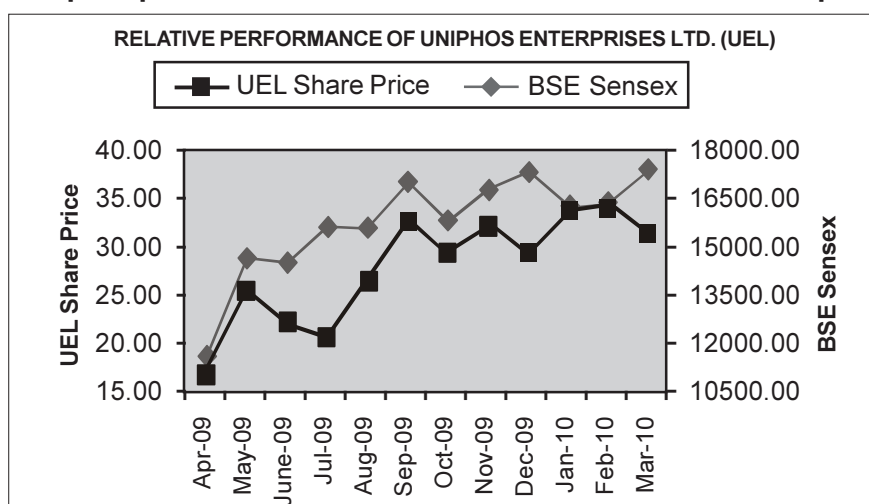
- 12.2. Financial Calendar** : **Annual General Meeting –**  
8<sup>th</sup> September, 2010  
**Results for quarter ending**  
**June 30, 2010**- On or before 14 August, 2010  
**Results for quarter ending**  
**September 30, 2010**- On or before 14 November, 2010  
**Results for quarter ending**  
**December 31, 2010**- On or before 14 February, 2011  
**Results for quarter/ year ending March 31, 2011** -  
On or before 15 May, 2011 / On or before 30 May, 2011
- 12.3. Book closure date** : 28/08/2010 to 08/09/2010 (Both days inclusive)
- 12.4. Dividend payment date** : Not Applicable
- 12.5. (a) Listing of Equity Shares on Stock Exchanges at** : Bombay Stock Exchange Ltd. and  
National Stock Exchange of India Ltd.
- (b) Listing of GDR on the Stock Exchanges at** : Luxembourg Stock Exchange
- 12.6 (a) Stock Code** : **Bombay Stock Exchange Ltd.** : 500429  
**National Stock Exchange of India Ltd.** : UNIENTER
- (b) Demat ISIN Number in NSDL & CDSL for Equity Shares** : INE037A01022

**12.7. Stock Market Data**

Month	Bombay Stock Exchange Ltd. (BSE)		National Stock Exchange of India Ltd. (NSE)	
	Month's High Price (In Rs.)	Month's Low Price (In Rs.)	Month's High Price (In Rs.)	Month's Low Price (In Rs.)
April 2009	17.85	14.01	17.75	14.50
May 2009	25.75	15.55	26.40	15.75
June 2009	28.65	19.00	29.40	19.00
July 2009	24.50	18.05	24.00	18.95
August 2009	27.70	19.20	27.20	18.00
September 2009	38.00	23.95	38.20	24.30
October 2009	35.80	28.15	35.15	27.45
November 2009	34.00	27.60	35.45	27.40
December 2009	32.90	27.60	33.95	27.50
January 2010	39.40	29.00	39.15	28.50
February 2010	36.50	30.25	39.50	30.05
March 2010	35.75	30.65	35.55	30.55

**12.8. Share price performance in comparison to broad-based indices – BSE Sensex.**

**UEL share price performance relative to BSE Sensex based on share price during the year**




**CORPORATE GOVERNANCE (Contd.)**

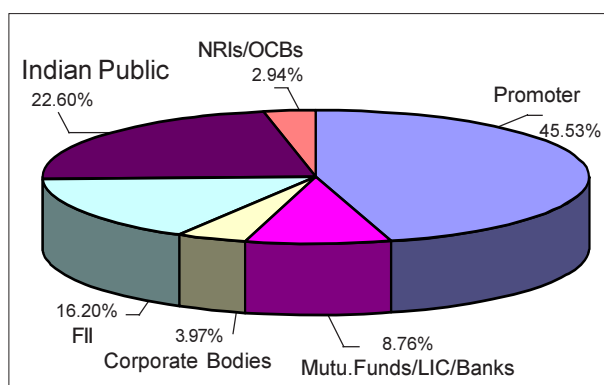
**12.9.Registrar and Share Transfer Agent** : Sharepro Services (India) Pvt. Ltd.  
(Share transfer and communication regarding share certificate, dividends and change of address) Unit : Uniphos Enterprises Limited  
13AB, Samhita Warehousing Complex, Second Floor, Sakinaka Telephone Exchange Lane, Off Andheri-Kurla Road, Andheri (E), Mumbai - 400 072.

Also, for the benefit of the Shareholders, the documents will continue to be accepted at the Secretarial Department of the Company : Uniphos Enterprises Limited  
Secretarial Department,  
8, Shri Krishna Commercial Centre Ground Floor, Opp. Raheja Solitaire  
6 Udyog Nagar, Off S. V. Road Goregaon (West), Mumbai 400 062.

**12.10 Share Transfer System** : Presently, the share transfers which are received in physical form are processed and the share certificates returned within a period of 15 days from the date of receipt subject to the documents being valid and complete in all respects.

**12.11. Distribution of Shareholdings as on 31<sup>st</sup> March, 2010 :**

Shareholding of Nominal Value of (Rs.)	Shareholders		Share Amount	
	Numbers	% of Total Nos.	In (Rs.)	% of Total Amt.
1 - 5,000	14581	97.95	8033106	15.77
5,001 - 10,000	161	1.08	1187710	2.33
10,001 - 20,000	71	0.48	1073980	2.11
20,001 - 30,000	17	0.12	435290	0.86
30,001 - 40,000	8	0.05	277040	0.54
40,001 - 50,000	11	0.07	496468	0.97
50,001 - 1,00,000	15	0.10	1185766	2.33
1,00,001 and above.	22	0.15	38259980	75.09
<b>Total</b>	<b>14886</b>	<b>100</b>	<b>50949340</b>	<b>100</b>

**12.12. Shareholding pattern as on 31st March, 2010:**


## CORPORATE GOVERNANCE (Contd.)

- 12.13. Dematerialisation of Shares :** 96.54 % of the outstanding equity shares have been dematerialised up to 31<sup>st</sup> March, 2010. Trading in Equity Shares of the Company is permitted only in dematerialised form w.e.f. 17<sup>th</sup> January, 2000 as per notification issued by the Securities and Exchange Board of India (SEBI).

**Liquidity :**

The shares of the Company are actively traded. Relevant data for the **average daily turnover** for the financial year 2009 – 2010 is given below:

	Bombay Stock Exchange Ltd. (BSE)	National Stock Exchange of India Ltd. (NSE)	BSE+NSE
In no. of shares	17151	14082	<b>31233</b>

(Source : This information is compiled from the data available from the websites of BSE & NSE)

- 12.14. Outstanding GDR/Warrants and Conversion date and likely Impact on the Equity :** Outstanding GDRs as on 31<sup>st</sup> March, 2010 represent 79052 shares (0.31%). There are no further outstanding instruments, which are convertible into equity in the future.

- 12.15. Plant Locations :** The Company has no manufacturing unit.

**12.16. Address for Correspondence**  
(i) **Investor Correspondence**

- For Shares held in Physical Form**  
Sharepro Services (India) Pvt. Ltd.  
Unit : Uniphos Enterprises Limited  
13AB, Samhita warehousing Complex,  
Second Floor, Sakinaka Telephone Exchange Lane,  
Off Andheri Kurla Road, Sakinaka,  
Andheri (E), Mumbai 400 072.

Also, for the benefit of the Shareholders, the documents will continue to be accepted at the following office of the Company :

Uniphos Enterprises Limited  
Secretarial Department,  
8, Shri Krishna Commercial Centre  
Ground Floor, Opp. Raheja Solitaire  
6 Udyog Nagar, Off S. V. Road  
Goregaon (West), Mumbai 400 062.

**For Shares held in Demat form**  
To the Depository Participant(s)

- (ii) **Any query on Annual Report :** Mr. K. M. Thacker  
C/o. Uniphos Enterprises Limited  
Secretarial Department  
8, Shri Krishna Commercial Centre  
Ground Floor, Opp. Raheja Solitaire  
6 Udyog Nagar, Off S. V. Road  
Goregaon (West), Mumbai 400 062.  
E-mail : [thackerkm@uniphos.com](mailto:thackerkm@uniphos.com)
- (iii) **Exclusive e-mail ID of the grievance redressal division :** [uel.investors@uniphos.com](mailto:uel.investors@uniphos.com)
- (iv) **Corporate Website :** [www.uelonline.com](http://www.uelonline.com)

On behalf of the Board of Directors

**R. D. Shroff**

(Chairman & Managing Director)

Mumbai  
29<sup>th</sup> April, 2010



## CORPORATE GOVERNANCE (Contd.)

### DECLARATION

As provided under Clause 49 of the Listing Agreement with the Stock Exchanges, the Board Members and the Senior Management Personnel have confirmed compliance with the Code of Conduct laid down by the Company for the year ended 31<sup>st</sup> March, 2010.

Mumbai  
29<sup>th</sup> April, 2010

For Uniphos Enterprises Limited  
**R. D. Shroff**  
(Chairman & Managing Director)

### CERTIFICATE

To The Members of  
UNIPHOS ENTERPRISES LIMITED

We have examined the compliance of conditions of corporate governance by Uniphos Enterprises Limited ("the Company") for the year ended 31<sup>st</sup> March 2010, as stipulated in clause 49 of the Listing Agreement of the said Company with Stock Exchanges.

The compliance of conditions of corporate governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For **S.V. GHATALIA & ASSOCIATES**  
Firm Registration No. 103162W  
Chartered Accountants

(Per Sudhir Soni)  
Partner  
Membership No. 41870

Mumbai  
29<sup>th</sup> April, 2010

## MANAGEMENT DISCUSSION AND ANALYSIS

### INDUSTRY STRUCTURE AND DEVELOPMENT:

The Company is engaged only in trading activities.

### SEGMENTWISE PERFORMANCE:

The Company operates in a single segment, viz. trading activities.

### BUSINESS OUTLOOK:

This has been dealt with in the Directors' Report.

### INTERNAL CONTROL SYSTEM AND THEIR ADEQUACY:

The company has a proper and adequate system of internal controls to see that all its assets are safeguarded and protected against loss from any unauthorized use or disposition, and all financial records are maintained properly. The group has its own internal audit team.

### FINANCIAL AND OPERATIONAL PERFORMANCE:

This has been dealt with in the Directors' Report.

### HUMAN RESOURCES DEVELOPMENT:

The relationship with the employees continued to be cordial throughout the year.

### CAUTIONARY STATEMENT:

Certain statements in this section relating to estimates, projections and expectations may be forward looking within the meaning of applicable laws and regulations. The actual results could differ materially from what the directors envisage in terms of the future performance and outlook. The factors that may affect the performance of the company will be drought or shortfall in rains, change in government policies, tariff barriers, delay in registrations, changes in local and overseas markets and the related factors.

**AUDITORS' REPORT**

TO

THE MEMBERS OF  
UNIPHOS ENTERPRISES LIMITED

1. We have audited the attached Balance Sheet of Uniphos Enterprises Limited as at March 31, 2010, the Profit and Loss Account of the Company and the Cash Flow Statement for the year ended on that date, annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003 (as amended) issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
4. Further to our comments in the Annexure referred to above, we report that:
  - (a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
  - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
  - (c) The balance sheet, the profit and loss account and the cash flow statement dealt with by this report are in agreement with the books of account;
  - (d) In our opinion, the balance sheet, profit and loss account and cash flow statement dealt with by this report comply with the accounting standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956;
  - (e) On the basis of written representations received from the Directors as on March 31, 2010, and taken on record by the Board of Directors, we report that none of the Directors is disqualified as on March 31, 2010 from being appointed as a Director under clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956;
  - (f) In our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India;
    - (i) in the case of the balance sheet, of the state of affairs of the Company as at March 31, 2010;
    - (ii) in the case of the profit and loss account, of the profit for the year ended on that date; and
    - (iii) in the case of the cash flow statement, of the cash flows for the year ended on that date.

For **S.V. GHATALIA & ASSOCIATES**  
Firm Registration No. 103162W  
Chartered Accountants

**per Sudhir Soni**  
Partner

**Membership No. 41870**

Mumbai  
29<sup>th</sup> April, 2010





**Annexure referred to in paragraph 3 of our report of even date**

Re: Uniphos Enterprises Limited ('the Company')

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) Fixed assets have been physically verified by the management during the year and no material discrepancies were identified on such verification.
- (c) There was no substantial disposal of fixed assets during the year.
- (ii) The Company did not have any inventory during the year. Accordingly, provisions of clauses 4(ii)(a), 4(ii)(b) and 4(ii)(c) of the Companies (Auditors Report) Order, 2003, in respect of physical verification of inventory, procedure of physical verification followed by the Company and maintenance of proper records of inventory are not applicable to the Company.
- (iii) (a) As informed, the Company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956.
- (b) Since the Company has not granted any loan to companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956, the provisions of clauses 4(iii)(b), 4(iii)(c) and 4(iii)(d) of the Companies (Auditor's Report) Order, 2003, in respect of rate of interest and other terms and conditions of the loans granted, whether the principal amount and interest has been paid regularly and whether reasonable steps for recovery of principal amount and interest have been taken are not applicable to the Company.
- (c) The Company had taken loan from a company covered in the register maintained under Section 301 of the Companies Act, 1956. The maximum amount involved during the year was Rs. 632,488 ('000) and the year-end balance of the said loan was Nil.
- (d) In our opinion and according to the information and explanations given to us, the rate of interest and other terms and conditions for such loans are not prima facie prejudicial to the interest of the Company.
- (e) In respect of loans taken, repayment of the principal amount is as stipulated and payments of interest have been regular.
- (iv) In our opinion and according to the information and explanations given to us, there is adequate internal control system commensurate with the size of the Company and the nature of its business with regard to purchases of fixed assets. There were no purchases of inventory and sale of goods during the year, and hence, the question of reporting on the adequacy of internal control system with regards to the purchases or sale of the aforesaid items does not arise. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in internal control system.
- (v) (a) According to the information and explanations provided by the management, we are of the opinion that the particulars of contracts or arrangements referred to in section 301 of the Act that need to be entered into the register maintained under section 301 have been so entered.
- (b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of such contracts or arrangements exceeding the value of Rupees five lakhs have been entered into during the financial year at prices which are reasonable having regard to the prevailing market prices at the relevant time.
- (vi) The Company has not accepted any deposits from the public.
- (vii) In our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
- (viii) To the best of our knowledge and as explained, the Central Government has not prescribed maintenance of cost records under clause (d) of sub-section (1) of section 209 of the Companies Act, 1956 for the products of the Company.
- (ix) (a) The Company is regular in depositing with appropriate authorities undisputed statutory dues including provident fund, investor education and protection fund, or employees' state insurance, income-tax, sales-tax, wealth-tax, service tax, customs duty, excise duty, cess and material statutory dues applicable to it, though there has been a slight delay in a few cases.
- (b) According to the information and explanations given to us, no undisputed amounts payable in



**ANNEXURE TO THE AUDITORS' REPORT (Contd.)**

respect of provident fund, investor education and protection fund, employees' state insurance, income-tax, wealth-tax, service tax, sales-tax, customs duty, excise duty, cess and other undisputed statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.

- (c) According to the records of the Company, the dues outstanding of income-tax, sales-tax, wealth-tax, service tax, customs duty, excise duty and cess on account of any dispute, are as follows:

Sr. No.	Name of the statute	Nature of dues	Amount (Rs. in '000)	Period to which the amount relates	Forum where dispute is Pending
1	Income tax Act, 1961	Income-tax Demands	1,190	A.Y. 2002-03	Commissioner of Income-tax (Appeals)
2	Income tax Act, 1961	Income-tax Demands	2,300	A.Y. 2001-02	Commissioner of Income-tax (Appeals)

- (x) The Company has no accumulated losses at the end of the financial year and it has not incurred cash losses in the current and immediately preceding financial year.
- (xi) Based on our audit procedures and as per the information and explanations given by the management, we are of the opinion that the Company has not defaulted in repayment of dues to a financial institution, bank or debenture holders.
- (xii) According to the information and explanations given to us and based on the documents and records produced to us, the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- (xiii) In our opinion, the Company is not a chit fund or a nidhi / mutual benefit fund / society. Therefore, the provisions of clause 4(xiii) of the Companies (Auditor's Report) Order, 2003 (as amended) are not applicable to the Company.
- (xiv) In our opinion, the Company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, the provisions of clause 4(xiv) of the Companies (Auditor's Report) Order, 2003 (as amended) are not applicable to the Company.
- (xv) According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from bank or financial institutions.
- (xvi) Based on information and explanations given to us by the management, term loans were applied for the purpose for which the loans were obtained.
- (xvii) According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that no funds raised on short-term basis have been used for long-term investment.
- (xviii) The Company has not made any preferential allotment of shares to parties or companies covered in the register maintained under section 301 of the Companies Act, 1956.
- (xix) The Company did not have any outstanding debentures during the year.
- (xx) The Company has not raised any money by public issue during the year.
- (xxi) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and as per the information and explanations given by the management, we report that no fraud on or by the Company has been noticed or reported during the course of our audit.

For **S.V. GHATALIA & ASSOCIATES**

Firm Registration No. 103162W

Chartered Accountants

**per Sudhir Soni**

Partner

**Membership No. 41870**

Mumbai  
29<sup>th</sup> April, 2010

**BALANCE SHEET AS AT 31ST MARCH, 2010**

	<b>Schedule</b>	<b>Rs. in '000s</b>	<b>As at 31st March, 2010 Rs. in '000s</b>	<b>As at 31st March, 2009 Rs. in '000s</b>
<b>SOURCES OF FUNDS:</b>				
<b>1 SHAREHOLDER'S FUNDS:</b>				
(a) Share Capital	'A'	<b>50,949.34</b>		50,949.34
(b) Reserves and Surplus	'B'	<b>516,780.49</b>		318,331.38
			<b>567,729.83</b>	369,280.72
<b>2 LOAN FUNDS:</b>				
(a) Secured Loans	'C'	<b>740,000.00</b>		90.77
(b) Unsecured Loans	'D'	<b>2,000.00</b>		3,711.89
			<b>742,000.00</b>	3,802.66
<b>TOTAL</b>			<b>1,309,729.83</b>	373,083.38
<b>APPLICATION OF FUNDS:</b>				
<b>1 FIXED ASSETS:</b>	'E'			
(a) Gross Block		<b>287,697.24</b>		281,926.45
(b) Less: Depreciation		<b>422.85</b>		381.43
(c) Net Block			<b>287,274.39</b>	281,545.02
<b>2 INVESTMENTS</b>	'F'		<b>775,433.38</b>	777,350.42
<b>3 DEFERRED TAX ASSET</b>			<b>43.48</b>	43.48
<b>4 CURRENT ASSETS, LOANS AND ADVANCES:</b>				
(a) Cash and Bank Balances	'G'	<b>37,381.09</b>		1,011.99
(b) Loans and Advances	'H'	<b>220,112.41</b>		215,031.79
(c) Other Current Asset	'I'	<b>—</b>		126,389.27
		<b>257,493.50</b>		342,433.05
<b>Less: CURRENT LIABILITIES AND PROVISIONS:</b>				
Liabilities	'J'	<b>10,514.92</b>		1,028,288.59
<b>NET CURRENT ASSETS</b>			<b>246,978.58</b>	(685,855.54)
<b>TOTAL</b>			<b>1,309,729.83</b>	373,083.38
<b>NOTES ON ACCOUNTS</b>	'N'			

The schedules referred to above and notes on accounts form an integral part of the Balance Sheet.

As per our attached Report of even date  
For **S.V. GHATALIA & ASSOCIATES**  
Firm registration number : 103162W  
Chartered Accountants

For and on behalf of the Board of Directors  
of Uniphos Enterprises Limited

**Per Sudhir Soni**  
Partner  
M.No.41870

**R. D. SHROFF**  
Chairman and Managing Director

**S. R. SHROFF**  
Non-Executive  
Vice Chairman

**K. M. THACKER**  
Company Secretary

Mumbai, 29th April, 2010

Mumbai, 29th April, 2010

### PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2010

	Schedule	Rs. in '000s	Year Ended March 31, 2010 Rs. in '000s	Year Ended March 31, 2009 Rs. in '000s
<b>INCOME:</b>				
Other Income	'K'		<b>39,643.86</b>	41,071.13
<b>EXPENDITURE:</b>				
Administrative and Other Expenses	'L'	<b>15,448.20</b>		11,119.72
Depreciation / Amortisation		<b>1,958.46</b>		1,757.80
Interest and Other Financial Cost	'M'	<b>63,898.82</b>		104,271.48
			<b>81,305.48</b>	117,149.00
<b>PROFIT/(LOSS) BEFORE TAXATION AND EXCEPTIONAL ITEMS</b>			<b>(41,661.62)</b>	(76,077.87)
Add:Exceptional Items (Refer Note No. 6 in schedule 'N')			<b>273,610.73</b>	138,635.57
<b>PROFIT /(LOSS) BEFORE TAXATION</b>			<b>231,949.11</b>	62,557.70
Less: Provision for Taxation				
Current		<b>33,500.00</b>		4,800.00
Deferred		—		(2,704.08)
Fringe Benefits Tax		—		3.14
			<b>33,500.00</b>	2,099.06
<b>PROFIT / (LOSS) AFTER TAXATION</b>			<b>198,449.11</b>	60,458.64
Balance brought forward from previous year			<b>1,827.65</b>	(58,630.99)
<b>Balance Carried to Balance Sheet</b>			<b>200,276.76</b>	1,827.65
<b>EARNING PER SHARE</b> (Refer Note No. 9 in Schedule 'N')				
Basic and Diluted Earnings per Share (Rs.)			<b>7.79</b>	2.37
Face Value per Share (Rs.)			<b>2.00</b>	2.00
<b>NOTES ON ACCOUNTS</b>	'N'			

The schedules referred to above and notes on accounts form an integral part of the profit and loss account.

As per our attached Report of even date  
For **S.V. GHATALIA & ASSOCIATES**  
Firm registration number : 103162W  
Chartered Accountants

For and on behalf of the Board of Directors  
of Uniphos Enterprises Limited

**Per Sudhir Soni**  
Partner  
M.No.41870

**R. D. SHROFF**  
Chairman and Managing Director

**S. R. SHROFF**  
Non-Executive  
Vice Chairman

**K. M. THACKER**  
Company Secretary

Mumbai, 29th April, 2010

Mumbai, 29th April, 2010

### CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2010

	For the year ended 31st March, 2010 (Rs. in'000s)	For the year ended 31st March, 2009 (Rs. in'000s)
<b>(A) CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net Profit (Loss) Before Tax and Extraordinary Items	231,949.11	62,557.70
Adjustments For :		
Depreciation/Amortisation	1,958.46	1,757.80
Interest paid	63,898.82	104,271.48
Dividend Received	(37,477.70)	(27,835.13)
Loss on Sales of Shares	—	142,500.00
Loss on Conversion of Shares from Short term to Long term	—	224,152.50
Profit on sale of asset	(273,610.73)	(505,288.07)
	<b>(245,231.15)</b>	<b>(60,441.42)</b>
Operating Profit Before Working Capital Changes	<b>(13,282.04)</b>	2,116.28
Adjustments for :		
Trade and other Receivables	881.71	(2,849.00)
Trade Payable and other Liabilities	(589,859.06)	(64,766.38)
Cash Generated from Operations	<b>(602,259.39)</b>	<b>(65,499.10)</b>
Taxes Paid	<b>(39,462.34)</b>	<b>(9,811.00)</b>
<b>Net Cash from (used in) Operating Activities</b>	<b>(641,721.73)</b>	<b>(75,310.10)</b>
<b>(B) CASH FLOW FROM INVESTING ACTIVITIES</b>		
Additons in Fixed Assets	(5,770.79)	(7,025.27)
Advance Payment received against sale of property	—	380,000.00
Sale of fixed assets	20,000.00	560,000.00
Dividend Received	37,477.70	27,835.13
Purchase of Investments	—	(912,000.00)
Sale of Investments	—	313,500.00
<b>Net cash from (used in) Investing activites</b>	<b>51,706.91</b>	<b>362,309.86</b>
<b>(C) CASH FLOW FROM FINANCING ACTIVITIES</b>		
Borrowings (Net)	738,197.34	(148,388.00)
Total Interest Paid	(111,504.74)	(139,112.00)
<b>Net Cash From (used in) Financing Activities</b>	<b>626,692.60</b>	<b>(287,500.00)</b>
<b>(D) NET CASH INCREASE IN CASH AND CASH EQUIVALENTS</b>	<b>36,677.78</b>	<b>(500.24)</b>
<b>Cash and Cash Equivalents as at the Beginning of the year</b>	<b>105.79</b>	<b>606.03</b>
<b>Cash and Cash Equivalents as at the Close of the year</b>	<b>36,783.57</b>	<b>105.79</b>
<b>Components of Cash and cash equivalents With Banks*</b>		
In Current Accounts	36,781.20	103.33
Cash	2.38	2.46
<b>* Cash and Cash equivalents exclude unclaimed dividend bank accounts Rs. 597.51 (P.Y. Rs. 906.20)</b>		

As per our attached Report of even date  
For **S.V. GHATALIA & ASSOCIATES**  
Firm registration number : 103162W  
Chartered Accountants

For and on behalf of the Board of Directors  
of Uniphos Enterprises Limited

**Per Sudhir Soni**  
Partner  
M.No.41870

**R. D. SHROFF**  
Chairman and Managing Director

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Non-Executive  
Vice Chairman

**K. M. THACKER**  
Company Secretary

Mumbai, 29th April, 2010

Mumbai, 29th April, 2010

## SCHEDULE FORMING PART OF THE BALANCE SHEET

## SCHEDULE 'A':

## SHARE CAPITAL:

Authorised:

15,00,00,000 Equity Shares of Rs. 2 each

70,00,000 Preference Shares of Rs. 100 each

Issued, Subscribed and Paid-up:

2,54,74,670 Equity Shares of Rs. 2 each fully paid-up

## TOTAL

As at 31st March, 2010 Rs. in'000s	As at 31st March, 2009 Rs. in'000s
300,000.00	300,000.00
700,000.00	700,000.00
1,000,000.00	1,000,000.00
50,949.34	50,949.34
50,949.34	50,949.34

## Notes:

- Of the above Equity Shares of Rs.2 each fully paid-up:
  - 1,74,87,335 Equity Shares have been allotted by way of Bonus Shares by capitalisation of General Reserve.
  - 50,000 Equity Shares have been allotted pursuant to a scheme of amalgamation, without payments being received in cash.
  - 45,95,835 Equity Shares have been allotted on partial conversion of Secured Redeemable Convertible Debentures in pursuance of the terms of issue of the said Debentures.
  - 9,00,000 Equity Shares have been allotted in respect of warrants issued to the promoters.
- The rights in respect of 1,015 Equity Shares of Rs. 10 each arising out of part conversion of 17% Secured Redeemable Partly Convertible Debentures and 1,015 Equity Shares arising as a result of issue of Bonus Shares have been kept in abeyance under Section 206A of the Companies Act, 1956.
- There are 79052 (Previous Year : 80552) underlying Equity Shares of the Company in respect of GDR listed on Luxemburg Stock Exchange.

## SCHEDULE 'B'

## RESERVES AND SURPLUS:

	As at 31st March, 2010 Rs. in'000s	As at 31st March, 2009 Rs. in'000s
1. Capital Reserve:		
(a) Central and State Subsidies for a project in backward area	6,000.00	6,000.00
(b) Capital Reserve arising on amalgamation of Shroffs Industrial Chemicals Private Limited with the Company	301.00	301.00
(c) Profit on reissue of Forfeited Shares / Debentures	137.94	137.94
	6,438.94	6,438.94
2. General Reserve :		
Balance as per last Balance Sheet	310,064.79	310,064.79
3. Balance in Profit and Loss Account	200,276.76	1,827.65
TOTAL	516,780.49	318,331.38


**SCHEDULE FORMING PART OF THE BALANCE SHEET**
**SCHEDULE 'C':**
**SECURED LOANS :**
**From Banks**

- (a) On Term Loan Accounts  
Term loan from Yes Bank Limited of Rs. 740,000 (Previous Year Nil) thousand is to be secured by way of exclusive charge on current assests of the Company.

- (b) Under Vehicle Finance Scheme  
(Vehicle finance loan from ICICI Bank Limited is secured by way of hypothecation of vehicle purchased under the said scheme.)

**TOTAL**

**As at 31st March, 2010**  
**Rs. in '000s**

As at 31st March, 2009  
Rs. in '000s

**740,000.00**

—

90.77

**740,000.00**

90.77

**SCHEDULE 'D':**
**UNSECURED LOANS :**

Short Term Loans from Companies

**TOTAL**
**2,000.00**

3,711.89

**2,000.00**

3,711.89

**SCHEDULE 'E':**
**FIXED ASSETS:**
**(Rs.in '000s)**

Sr. No.	Description of Assets	GROSS BLOCK				DEPRECIATION				NETBLOCK	
		As at 31st March, 2009	Additions during the year	Deductions Ajustments during the year	As at 31st March, 2010	As at 31st March, 2009	Provided during the year	Deductions/ Adjustments during the year	As at 31st March, 2010	As at 31st March, 2010	As at 31st March, 2009
1.	Land	281,385.02	5,982.10	211.31	287,155.81	—	—	—	—	287,155.81	281,385.02
2.	Vehicles	541.43	-	-	541.43	381.43	41.42	—	422.85	118.58	160.00
	<b>Total</b>	281,926.45	5,982.10	211.31	287,697.24	381.43	41.42	—	422.85	287,274.39	281,545.02
	<b>PreviousYear</b>	365,041.24	5,527.52	88,642.31	281,926.45	43,583.58	1,757.80	(44,959.95)	381.43		—

## SCHEDULE FORMING PART OF THE BALANCE SHEET

	Rs. in '000s	As at 31st March, 2010 Rs. in '000s	As at 31st March, 2009 Rs. in '000s
<b>SCHEDULE 'F':</b>			
<b>INVESTMENTS (At Cost):</b>			
<b>Long Term:</b>			
<b>1. INVESTMENTS IN HOUSE PROPRTY</b>	<b>13,441.13</b>		13,441.13
Less : Provision for depreciation	<b>1,917.04</b>		—
		<b>11,524.09</b>	13,441.13
<b>2. TRADE INVESTMENTS : (Unquoted)</b>			
(a) 1,000 (Previous Year : 1,000) Equity Shares of no par value in Kaw Vally, Inc.	<b>98.24</b>		98.24
(b) 250 (Previous Year : 250) Equity Shares of no par value in Midland Fumigant, Inc.	<b>491.20</b>		491.20
		<b>589.44</b>	589.44
<b>3. IN SHARES (OTHER THAN TRADE):</b>			
<b>(a) Quoted:</b>			
2,49,85,130 (Previous Year : 2,49,85,130) Equity shares of Rs. 2 each fully paid-up in United Phosphorus Limited	<b>761,172.69</b>		761,172.69
<b>(b) Unquoted:</b>			
(i) 1,00,000 (Previous Year : 1,00,000) Equity Shares of Rs.10 each fully paid-up in Harsora Hotels Private Limited	<b>2,500.00</b>		2,500.00
(ii) 100 (Previous Year : 100) Equity Shares of Rs. 10 each fully paid-up in Industrial Grahak Sahakari Bhandar Limited	<b>1.00</b>		1.00
(iii) 20,000 (Previous Year : 20,000) Equity Shares of Rs. 10 each fully paid-up in Saket Projects Limited	<b>200.00</b>		200.00
(iv) 156 (Previous Year : 156) Equity Shares of Rs. 100 each fully paid-up in Sardar Bhiladwala Pardi People's Co-operative Bank Limited	<b>15.60</b>		15.60
(v) 40 (Previous Year : 40) Equity Shares of Rs. 500 each fully paid-up in Shree Ganesh Khand Udyog Sahakari Mandi Limited	<b>20.00</b>		20.00
	<b>2,736.60</b>		2,736.60
		<b>763,909.29</b>	763,909.29
		<b>776,022.82</b>	777,939.86
Less : Provision for Diminution in value of Long-Term Investments		<b>589.44</b>	589.44
<b>TOTAL</b>		<b>775,433.38</b>	777,350.42
<b>Notes:</b>			
1. Aggregate amount of Quoted Investments:			
Cost		<b>761,172.69</b>	761,172.69
Market Value		<b>3,744,271.58</b>	2,442,296.46
2. Aggregate amount of Unquoted Investments:			
Cost (Net of Provision for Diminution)		<b>2,736.60</b>	2,736.60



## SCHEDULE FORMING PART OF THE BALANCE SHEET

	Rs. in '000s	As at 31st March, 2010 Rs. in '000s	As at 31st March, 2009 Rs. in '000s
<b>SCHEDULE 'G':</b>			
<b>CASH AND BANK BALANCES :</b>			
1. Cash on hand		2.38	2.46
2. Bank Balances :			
With Scheduled Banks :			
(i) In Current Accounts	36,781.20		103.33
(ii) In Unclaimed Dividend Accounts	597.51		906.20
		37,378.71	1,009.53
<b>TOTAL</b>		37,381.09	1,011.99
<b>SCHEDULE 'H' :</b>			
<b>LOANS AND ADVANCES :</b>			
Unsecured and Considered Good, unless otherwise stated :			
1. Advances recoverable in cash or kind or for value to be received		15,797.27	16,689.84
2. Payment of taxes less provision for taxation [Includes provision for taxation Rs. 5,54,116.43 Thousand (P.Y. Rs. 5,20,616.43 Thousand)]		204,302.29	198,339.95
3. Sundry Deposits		12.85	2.00
<b>TOTAL</b>		220,112.41	215,031.79
<b>SCHEDULE 'I':</b>			
<b>OTHER CURRENT ASSETS :</b>			
Asset held for sale		—	126,389.27
		—	126,389.27
<b>SCHEDULE 'J':</b>			
<b>LIABILITIES :</b>			
1. Sundry Creditors for expenses Total outstanding dues of creditors other than micro, small and medium enterprises (Also refer note No. 7 in Schedule 'N')		26.93	572.53
2. Investor Education and Protection Fund shall be credited by the following amount, as and when due :-			
Unpaid Dividend		597.51	906.20
3. Dividend in abeyance		2.00	2.00
4. Bank account excess drawn		—	326,451.15
5. Interest accrued but not due on Loans		912.32	48,518.24
6. Other Liabilities		8,976.16	21,838.47
7. Advance against sale of Property		—	380,000.00
8. Advance from customers		—	250,000.00
<b>TOTAL</b>		10,514.92	1,028,288.59



## SCHEDULE FORMING PART OF THE PROFIT AND LOSS ACCOUNT

	Rs. in '000s	Year ended March 31, 2010 Rs. in '000s	Year ended March 31, 2009 Rs. in '000s
<b>SCHEDULE 'K':</b>			
<b>OTHER INCOME :</b>			
1. Income from Long Term Investments : Dividend on Other than trade Investments		<b>37,477.70</b>	27,835.13
2. Rent		—	13,236.00
3. Interest on Income Tax Refund		<b>2,065.34</b>	—
4. Other Income		<b>100.82</b>	—
<b>TOTAL</b>		<b>39,643.86</b>	41,071.13
<b>SCHEDULE 'L':</b>			
<b>ADMINISTRATIVE AND OTHER EXPENSES :</b>			
<b>1. PAYMENTS TO AND PROVISIONS FOR EMPLOYEES</b>			
Salaries, Wages, Bonus and Other Benefits		<b>2,060.95</b>	1,652.15
<b>2. OPERATING AND OTHER EXPENSES :</b>			
(a) Rates, Taxes and Fees	—		557.36
(b) Insurance Charges	<b>26.26</b>		32.24
(c) Legal and Professional Fees (Also Refer Note No. 4 in schedule 'N')	<b>10,445.69</b>		6,789.58
(d) Directors' sitting Fees	<b>16.00</b>		34.00
(e) Repairs - Building	—		1,330.35
(f) Repairs - Others	<b>354.35</b>		—
(g) Electricity expenses	<b>1,219.96</b>		—
(n) Other Expenses	<b>1,324.99</b>		724.04
		<b>13,387.25</b>	9,467.57
<b>TOTAL</b>		<b>15,448.20</b>	11,119.72
<b>SCHEDULE 'M':</b>			
<b>INTEREST AND OTHER FINANCIAL COSTS :</b>			
1. On Term Loans from Bank		<b>916.11</b>	16,998.90
2. Interest on other short term loans		<b>62,930.64</b>	85,917.71
3. Other Financial Charges		<b>52.07</b>	1,354.87
<b>TOTAL</b>		<b>63,898.82</b>	104,271.48



**SCHEDULE FORMING PART OF THE BALANCE SHEET AND THE PROFIT AND LOSS ACCOUNT**

**SCHEDULE 'N':**

**NOTES ON ACCOUNTS:**

**NATURE OF OPERATIONS**

Uniphos Enterprises Limited is engaged in the business of trading.

**1. SIGNIFICANT ACCOUNTING POLICIES:**

(a) Basis of Accounting:

(i) The financial statements have been prepared to comply in all material respects with the Notified accounting standard by Companies (Accounting Standards) Rules, 2006 (as amended) and the relevant provisions of the Companies Act, 1956. The Company follows the mercantile system of accounting and recognises income and expenditure on accrual basis. The accounting policies have been consistently applied by the Company are consistent with those used in the previous year.

(ii) Financial statements are based on historical cost.

(b) Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and the results of operations during the reporting period. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates.

(c) Fixed Assets and Depreciation:

(i) Fixed Assets are stated at cost less depreciation.

(ii) Depreciation

Depreciation has been provided:

(1) On written down value basis in accordance with Section 205(2)(a) of the Companies Act, 1956 at the rates specified in Schedule XIV to the Companies Act, 1956.

(2) Assets costing Rs 5,000 or less have been depreciated at the rate of 100%.

(3) In respect of additions to/deletions from the Fixed Assets, on pro-rata basis with reference to the month of addition/deletion of the Assets.

(iii) Impairments :

The carrying amounts of assets are reviewed at each balance sheet date if there is any indication of impairment based on internal/external factors. An impairment loss is recognized wherever the carrying amount of an asset exceeds its recoverable amount.

(d) Inventories:

Traded goods are valued at lower of cost or net realisable value.

(e) Investments:

Long-term investments are carried at cost of acquisition, except for the transfer of current investment to long term investment which is carried at the lower of cost and fair value at the date of transfer, and the resultant difference is recognised in the profit and loss account. However, the carrying amount is reduced to recognise a decline, other than temporary, in the value of long-term investments by a charge to the profit and loss account

(f) Foreign Currency Transactions:

Transactions in foreign currency are recorded by applying the exchange rate at the date of the transaction. Monetary items denominated in foreign currency remaining unsettled at the end of the year, are translated at the closing rates, prevailing on the Balance Sheet date. Non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction. Exchange differences arising as a result of the above are recognised as income or expense in the profit and loss account except for exchange differences arising on a monetary item which, in substance, form part of the Company's net investment in a non-integral foreign operation which is accumulated in a Foreign Currency Translation Reserve until the disposal of the net investment. Exchange difference arising on the settlement of monetary items at rates different from those at which they were initially recorded during the year, or reported in previous financial statements, are recognised as income or as expenses in the year in which they arise.

(g) Borrowing Costs:

Interest and other costs incurred for acquisition of qualifying assets, upto the date of commissioning / installation, are capitalised as part of the cost of the said assets.

(h) Grants, Subsidies received:

Government grants / subsidies in the nature of promoters' contribution, given with reference to the total investment in an undertaking or by way of contribution towards its total capital outlay, are treated as

## SCHEDULE FORMING PART OF THE BALANCE SHEET AND THE PROFIT AND LOSS ACCOUNT

### SCHEDULE 'N' (Cont'd.):

capital reserve. Grants and subsidies from the government are recognized when there is reasonable assurance that the grant/subsidy will be received and all attaching conditions will be complied with.

(i) Revenue recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured

Dividends : Revenue is recognised when the shareholders' right to receive payment is established by the balance sheet date

Rent : Lease income is recognised in the Profit and Loss Account on a straight-line basis over the lease term or as per the terms of contract.

(j) Taxation:

Tax expense comprises of current, deferred and fringe benefit tax. Current income tax and fringe benefit tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income-tax Act, 1961 enacted in India. Deferred income taxes reflects the impact of current year timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years.

Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the balance sheet date. Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred tax assets and deferred tax liabilities relate to the taxes on income levied by the same governing taxation laws. Deferred tax assets are recognised only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised. In situations where the company has unabsorbed depreciation or carry forward tax losses, all deferred tax assets are recognised only if there is virtual certainty supported by convincing evidence that they can be realised against future taxable profits.

At each balance sheet date, the Company re-assesses unrecognised deferred tax assets. It recognises unrecognised deferred tax assets to the extent that it has become reasonably certain or virtually certain, as the case may be that sufficient future taxable income will be available against which such deferred tax assets can be realised.

The carrying amount of deferred tax assets are reviewed at each balance sheet date. The company writes-down the carrying amount of a deferred tax asset to the extent that it is no longer reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which deferred tax asset can be realised. Any such write-down is reversed to the extent that it becomes reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available

MAT credit is recognised as an asset only when and to the extent there is convincing evidence that the company will pay normal income tax during the specified period. In the year in which the Minimum Alternative tax (MAT) credit becomes eligible to be recognized as an asset in accordance with the recommendations contained in guidance Note issued by the Institute of Chartered Accountants of India, the said asset is created by way of a credit to the profit and loss account and shown as MAT Credit Entitlement. The Company reviews the same at each balance sheet date and writes down the carrying amount of MAT Credit Entitlement to the extent there is no longer convincing evidence to the effect that Company will pay normal Income Tax during the specified period.

(k) Provisions:

A provision is recognised when the Company has a present legal or constructive obligation as a result of past events and it is probable that an obligation of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the amount of the obligation can be made. Provisions are not discounted to its present value and are determined based on the best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet and adjusted to reflect the current best estimates.

(l) Earning Per Share

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period are adjusted for events of bonus issue.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

(m) Cash and cash equivalents

Cash and cash equivalents for the purpose of Cash flow statement comprise of cash at bank and in hand and short term investments with an original maturity of three months or less.



## SCHEDULE FORMING PART OF THE BALANCE SHEET AND THE PROFIT AND LOSS ACCOUNT

## SCHEDULE 'N' (Contd.)

	As at 31st March, 2010 Rs. in '000s	As at 31st March, 2009 Rs. in '000s
2. <b>CONTINGENT LIABILITIES NOT PROVIDED :</b>		
Disputed Income-tax Liability	276,428.21	273,793.46
3. Break up of Deferred Tax Assests and Deferred Tax Liabilities :		
a) Deferred Tax Assests : Depreciation	43.48	43.48
	43.48	43.48
	<b>Year ended March 31, 2010 Rs. in '000s</b>	<b>Year ended March 31, 2009 Rs. in '000s</b>
4. Auditors' Remuneration :		
a) As auditor		
Audit Fee	220.60	110.30
Limited Review	66.18	22.47
Out-of-pocket expenses	6.07	—
b) As adviser in respect of : Taxation matters	—	248.71
c) In other manner : Certification	5.52	5.62
5. Expenditure in Foreign Currency (on cash basis) : Stock Exchange fees	237.58	221.03
6. Exceptional Items : Exceptional items include the aggregate of following items :		
a) Profit on sale of Property	273,610.73	505,288.07
b) Loss on sale of current investment	—	(142,500.00)
c) Loss on transfer of shares from current investment to long term investment	—	(224,152.50)
<b>TOTAL</b>	<b>273,610.73</b>	<b>138,635.57</b>
7. The identification of Micro, Small and Medium enterprises is based on the management's knowledge of their status. The Company has not received any intimation from suppliers regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006. Hence disclosures, if any, relating to amounts unpaid as at the year end together with interest paid / payable as required under the said Act have not been made.		
8. Related party disclosure as required by Accounting Standard (AS) - 18 'Related Party Disclosures' notified by Companies (Accounting Standards) Rules, 2006 is given below:		
<b>(a) Relationship :</b>		
<b>(i) Enterprises over which Key Management personnel and their relatives have significant influence :</b>		
United Phosphorus Limited		
Nerka Chemicals Private Limited		
SWAL Corporation Limited		
Advanta India Limited		
Demuric Holdings Private Limited		
Unicorn Seeds Private Limited		
<b>(ii) Key Management Personnel and their relatives :</b>		
Mr. Rajju D. Shroff		
Mrs. Sandra R. Shroff		
Mr. Jaidev R. Shroff		
Mr. Arun C. Ashar		

## SCHEDULE FORMING PART OF THE BALANCE SHEET AND THE PROFIT AND LOSS ACCOUNT

## SCHEDULE 'N' (Contd.)

(b) The following transactions were carried out with the related parties in the ordinary course of business:

Nature of Transactions	Year ended March 31, 2010 (Rs. in '000s)	Year ended March 31, 2009 (Rs. in '000s)
	Enterprises over which Key Management personnel and their relatives have significant influence.	
<b>1. Income</b>		
Dividend Received from United Phosphorus Ltd.	<b>37,477.70</b>	27,835.13
Rent from		13,236.00
United Phosphorus Ltd. Rs. Nil (P.Y. Rs. 8,100 )		
Advanta India Limited : Rs. Nil (P.Y. Rs. 4,200 )		
SWAL Corporation Ltd.: Rs. Nil (P.Y. Rs. 936 )		
<b>2. Fixed assets</b>		
Sale of Fixed Assets to United Phosphorus Ltd.	<b>400,000.00</b>	560,000.00
<b>3. Finance</b>		
Interest Paid to United Phosphorus Ltd.	<b>62,930.64</b>	85,917.71
<b>4. Investments</b>		
Purchase of shares from Demuric Holdings Pvt. Ltd.	—	912,000.00
Sale of shares to Nerka Chemicals Pvt. Ltd.	—	313,500.00
Nil (P. Y. 1,39,17,565) equity shares of Rs. 2 each of United Phosphorus Ltd., received as Bonus	—	—
5. Trade Advance Received from Unicorn Seeds Pvt. Ltd.	—	250,000.00
6. Advance received from United Phosphorus Ltd. against sale of Property	—	380,000.00
<b>7. Loan Taken</b>		
From United Phosphorus Ltd.	<b>660,153.78</b>	921,640.00
Maximum amount Outstanding during the year	<b>632,487.80</b>	680,304.00
<b>8. Reimbursements</b>		
Made to United Phosphorus Ltd.	<b>2,124.37</b>	7,835.00
<b>9. Outstandings as at the Balance Sheet Date</b>		
Payables (Including Trade Advances) Unicorn Seeds Pvt. Ltd.	—	250,000.00
Receivable from Advanta India Limited Rs.15,739.61 (P.Y. Rs.16,170)	<b>15,739.61</b>	16,428.52
Loan Taken from United Phosphorus Ltd.	—	1,711.89
Interest Payable to United Phosphorus Ltd.(Net of TDS)	—	38,448.76
	<b>Year ended March 31, 2010 (Rs. in '000s)</b>	<b>Year ended March 31, 2009 (Rs. in '000s)</b>
<b>9. Earning per Share</b>		
Profit after taxation [A]	<b>198,449.11</b>	60,458.64
Number of Equity Shares Outstanding (B)	<b>25,474,670</b>	25,474,670
Basic and Diluted Earning per Share (In Rupees)[(A)/(B)]	<b>7.79</b>	2.37
Face Value Per Share (in Rupees)	<b>2.00</b>	2.00
<b>10. Segment reporting</b>		
The Company is engaged in trading business, which in the context of Accounting Standard 17 is considered to be its only business and geographical segment		
<b>11. Previous year's figures have been regrouped/rearranged wherever necessary.</b>		

## SIGNATURE TO SCHEDULES "A" TO "N"

As per our attached Report of even date  
For **S.V. GHATALIA & ASSOCIATES**  
Firm registration number : 103162W  
Chartered Accountants

For and on behalf of the Board of Directors  
of Uniphos Enterprises Limited

**Per Sudhir Soni**  
Partner  
M.No.41870

**R. D. SHROFF**  
Chairman and Managing Director

**S. R. SHROFF**  
Non-Executive  
Vice Chairman

**K. M. THACKER**  
Company Secretary

Mumbai, 29th April, 2010

Mumbai, 29th April, 2010



Additional Information as required under Part IV of Schedule VI to the Companies Act 1956  
BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

**I. Registration Details**

Registration No.

L24219GJ1969PTC001588

State Code 04

Balance Sheet Date

31

03

2010

Date Month Year

**II. Capital Raised during the year (Amount in Rs. Thousands)**

Public Issue	Rights Issue
—	—
Bonus Issue	Private Placement
—	—

**III. Position of Mobilisation and Deployment of Funds (Amount in Rs. Thousands)**

Total Liabilities	Total Assets
1,309,729	1,309,729

**Sources of Funds**

Paid-Up Capital	Reserves & Surplus
50,949	516,780
Secured Loans	Unsecured Loans
740,000	2,000

**Application of Funds**

Net Fixed Assets	Investments
0	775,433
Net Current Assets*	Misc. Expenditure
247,022	—
Accumulated Losses	
0	

\* Including Deferred Tax Asset of Rs. 43/-  
(Thousands)

**IV. Performance of Company (Amount in Rs. Thousands)**

Turnover (Total Revenue)	Total Expenditure
313,254	81,305
+ / - Profit/Loss Before Tax	+ / - Profit/Loss After Tax
+ 231,949	+ 198,449
+ / - Earning per Share in Rs.	Dividend Rate %
+ 7.79	—

**V. Generic Names of Three Principal Products/Services of the Company (as per monetary terms)**

Not Applicable

For and on behalf of the Board of Directors  
of Uniphos Enterprises Limited

**R. D. SHROFF**  
Chairman and Managing Director

**S. R. SHROFF**  
Non-Executive  
Vice Chairman

**K. M. THACKER**  
Company Secretary

Mumbai, 29th April, 2010

## UNIPHOS ENTERPRISES LIMITED

### PROXY FORM

Regd. Office: 11, G.I.D.C., Vapi, Dist. Valsad, Gujarat, Pin-396 195.

I\We.....of.....

.....in the district of.....being a Member/Members of  
the above named Company hereby appoint.....of.....  
in the district of .....or failing  
him/her ..... of.....in  
the district of .....as my/our proxy to attend and vote in my/our  
behalf at the 41<sup>st</sup> Annual General Meeting of the Company to be held on Wednesday, the  
8<sup>th</sup> day of September, 2010 at 9.15 a.m. and at any adjournment thereof.

Signed this.....day of.....2010.

Folio No. ....DPID\*.....Client ID\*.....

No. of Shares held.....

Affix  
Revenue  
Stamp

#### NOTES :

(Signature of the Member)

1. The proxy need not be a member.
2. The proxy form duly signed across Revenue Stamp should be lodged at the Company's Registered Office at least 48 hours before the time of the meeting.

## UNIPHOS ENTERPRISES LIMITED

### ATTENDANCE SLIP

Regd. Office: 11, G.I.D.C., Vapi, Dist. Valsad, Gujarat, Pin-396 195.

To be handed over at the entrance of the Meeting Hall.

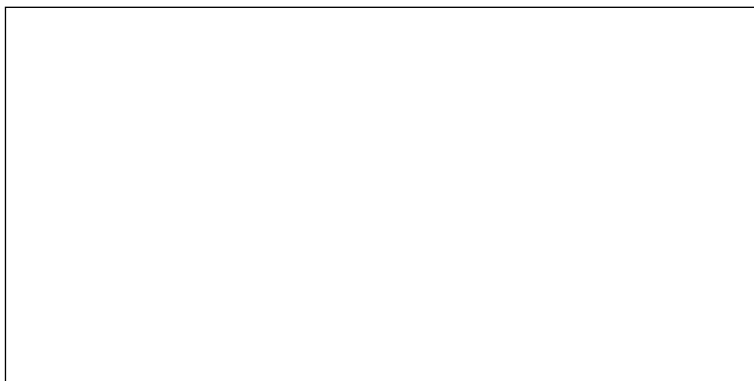
Name of the attending Member	Member's Folio Number	
	DP Id*	
	Client Id*	
Name of the Proxy (in Block Letters) (To be filled in, if the Proxy attends, instead of the Member)	Number of Equity Shares held	

I/We hereby accord my/our presence  
at the 41<sup>st</sup> ANNUAL GENERAL  
MEETING of the Company to be held  
on Wednesday, the 8<sup>th</sup> day of  
September, 2010 at 9.15 a.m. at  
Registered Office of the Company  
at 11, G.I.D.C., Vapi, Dist. Valsad,  
Gujarat, Pin-396 195.

Member's/Proxy's Signature  
(To be signed at the time of handing  
over this slip)

\* Applicable for investor holding shares in electronic form

**Book-Post**  
**Under Certificate of Posting**



*If undelivered, please return to :*

Uniphos Enterprises Ltd.  
Secretarial Department,  
8, Shri Krishna Commercial Centre,  
Ground Floor, Opp. Raheja Solitaire,  
6 Udyog Nagar, Off S. V. Road,  
Goregaon (West), Mumbai - 400 062.